

# Long term care insurance

At the end of this unit, candidates should be able to understand the:

- definition, purpose and scope of long term care contracts and how they interact with State benefits and State-funded long term care;
- main features and functions of the different types of contract that can be used to fund long term care and how they can be arranged to meet an individual's needs;
- principal legal, taxation and regulatory issues that are relevant to advice on long term care insurance;
- importance of regular reviews to ensure that long term care insurance cover remains appropriate.

Summary of learning outcomes	Number of questions in the examination*
1. Understand the FCA definition of a long term care insurance contract and the background to long term care provision in the UK.	3
2. Understand the different types of long term care that are available.	2
3. Understand the responsibilities of a health authority in the provision of continuing care and any resulting funding implications for the individual.	4
4. Understand how current legislation affects the provision of advice on long term care insurance, particularly with reference to the responsibilities of a local authority in enabling access to long term care and procedures for care assessment.	3
5. Understand how local authorities make financial care needs assessments for those requiring long term care and the role of social services.	5
6. Understand the availability of alternative sources of assistance relevant in the provision of long term care and possible limitations on their use.	3
7. Understand the complexities and implications of the relationship between the adviser, the client and third parties when advising on long term care insurance.	6
8. Understand the taxation issues related to long term care insurance plans.	5
9. Understand the legal considerations that need to be taken into account when giving long term care advice to an individual or their representatives.	5
10. Understand eligibility to claim under a long term care insurance contract.	3
11. Understand the different costs associated with long term care provision and the factors that create variations in them.	4
12. Analyse the interaction between the eligibility for means-tested and non means-tested benefits in the provision of advice on long term care insurance.	4
13. Assess the suitability of arrangements available to fund and maintain an individual's long term care needs and whether the level of risk they present to the client is appropriate and acceptable.	2
14. Analyse situations that might indicate to an adviser that a client's long term care provision needs to be reviewed and identify the consequences of that review.	1
<b>Plus 25 case study-related questions from learning outcomes 1 to 14</b>	
*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.	

## Important notes

- **Method of assessment:** 50 multiple choice questions (MCQs) and 5 case studies, each comprising 5 MCQs. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2013 until 31 August 2014.
- Candidates will be examined on the basis of English law and practice in the tax year 2013/2014 unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
  - 1) Visit [www.cii.co.uk/qualifications](http://www.cii.co.uk/qualifications)
  - 2) Select the appropriate qualification
  - 3) Select your unit on the right hand side of the page

- 1. Understand the FCA definition of a long term care insurance contract and the background to long term care provision in the UK.**
  - 1.1 Describe the FCA's definition of a long term care insurance contract.
  - 1.2 Describe the socio-economic background to long term care.
- 2. Understand the different types of long term care that are available.**
  - 2.1 Describe the different types of care and their associated levels of dependency.
- 3. Understand the responsibilities of a health authority in the provision of continuing care and any resulting funding implications for the individual.**
  - 3.1 Describe the responsibilities of a health authority in the provision of continuing care.
  - 3.2 Describe the funding implication for individuals as a result of a health authority's provision of continuing care.
- 4. Understand how current legislation affects the provision of advice on long term care insurance, particularly with reference to the responsibilities of a local authority in enabling access to long term care and procedures for care assessment.**
  - 4.1 Describe how a local authority would assess an individual's need for long term care.
  - 4.2 Describe the relevant legislation and case law relating to the provision of long term care.
- 5. Understand how local authorities make financial care needs assessments for those requiring long term care and the role of social services.**
  - 5.1 Describe how local authorities make financial care needs assessments for those requiring long term care.
  - 5.2 Describe the role of social services in the assessment of long term care needs.
- 6. Understand the availability of alternative sources of assistance relevant in the provision of long term care and possible limitations on their use.**
  - 6.1 Describe the availability of alternative sources of assistance for the provision of long term care, and the possible limits on their use.
- 7. Understand the complexities and implications of the relationship between the adviser, the client and third parties when advising on long term care insurance.**
  - 7.1 Describe the complexities and implications of the relationship between the adviser, the client and third parties when advising on long term care insurance.
- 8. Understand the taxation issues related to long term care insurance plans.**
  - 8.1 Describe the taxation issues related to long term care insurance plans.
  - 8.2 Assess the tax position in relation to long term care and perform relevant tax calculations.
- 9. Understand the legal considerations that need to be taken into account when giving long term care advice to an individual or their representatives.**
  - 9.1 Describe the legal considerations which must be addressed when providing long term care advice to an individual or their representatives.
- 10. Understand eligibility to claim under a long term care insurance contract.**
  - 10.1 Describe the eligibility criteria to claim under a long term care insurance contract.
- 11. Understand the different costs associated with long term care provision and the factors that create variations in them.**
  - 11.1 Describe the different costs associated with long term care provision and the factors that create variations in them.
  - 11.2 Calculate different costs associated with long term care provision.
- 12. Analyse the interaction between the eligibility for means-tested and non means-tested benefits in the provision of advice on long term care insurance.**
  - 12.1 Analyse the interaction between the eligibility for means-tested and non means-tested benefits in the provision of advice on long term care insurance.

**13. Assess the suitability of arrangements available to fund and maintain an individual's long term care needs and whether the level of risk they present to the client is appropriate and acceptable.**

- 13.1 Assess the suitability of arrangements available to fund and maintain an individual's long term care needs.
- 13.2 Assess the level of risk of long term care arrangements and their appropriateness for the individual.

**14. Analyse situations that might indicate to an adviser that a client's long term care provision needs to be reviewed and identify the consequences of that review.**

- 14.1 Explain the most common events which will generate the need for a review of long term care provision and the required actions post-review.

## Reading list

The following list provides details of various publications which may assist with your studies.

**Note: The examination will test the syllabus alone.** The reading list is provided for guidance only and is not in itself the subject of the examination. The publications will help candidates keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/Personal Finance Society members can borrow most of the additional study materials below from Knowledge Services.

CII study texts can be consulted from within the library. For further information on the lending service, please go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge).

## CII study text

Long term care insurance. London: CII. Study text CF8.

## Additional reading

Additional reading materials are available through the library or on the Knowledge Services website.

New materials are added frequently – for information about new books and articles in your area of interest, please visit [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

## Books (and ebooks)

Disability rights handbook. London: Disability Alliance. Annual.

## Factfiles and other online resources

Long-term care insurance. Andy Couchman. London: CII Knowledge Services. Updated as necessary. Available online via [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/Personal Finance Society members only).

Further articles and technical bulletins are available at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII and Personal Finance Society members only).

## Journals and magazines

Financial solutions. London: CII. Six issues a year. Also available via [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/Personal Finance Society members only).

e-Protection review. Great Rissington: Bank House Communications. Monthly.

Cover. London: Incisive Financial. Monthly.

Health insurance and protection. London: Informa. Monthly.

## Reference materials

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/Personal Finance Society members only).

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Harriman House, 2007. Also available as an ebook via [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/Personal Finance Society members only).

The professional adviser's factfile. Taxbriefs. London: Taxbriefs. Looseleaf.

## Examination guide

An examination guide, which includes a specimen paper, is available to purchase via [www.cii.co.uk](http://www.cii.co.uk).

If you have a current study text enrolment the specimen paper is included, as a mock test, via Revisionmate ([www.revisionmate.com](http://www.revisionmate.com)). Details on how to access this resource are on the first page of the study text.

## Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.